## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)
Amendment of Parts 1, 21, 73, 74 and 101 of the Commission's Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands	) WT Docket No. 03-66 ) RM-10586 )
Part 1 of the Commission's Rules – Further Competitive Bidding Procedures	) WT Docket No. 03-67
Amendment of Parts 21 and 74 to Enable Multipoint Distribution Service and the Instructional Television Fixed Service To Engage In Fixed Two-Way Transmissions	) MM Docket No. 97-217
Amendment to Parts 21 and 74 of the Commission's Rules With Regard to Licensing in the Multipoint Distribution Service and in the Instructional Television Fixed Service for the Gulf of Mexico	) WT Docket No. 02-68 ) RM-9718 )
Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development Of Secondary Markets	) WT Docket No. 00-230 )

## COMMENTS IN SUPPORT OF PETITIONS FOR RECONSIDERATION OF THE NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

The National Telecommunications Cooperative Association (NTCA)<sup>1</sup> submits these comments in support of petitions for reconsideration of certain actions taken in the

National Telecommunications Cooperative Association Comments, February 22, 2005

WT Docket No.03-66, RM-10586 WT Docket No. 03-67 MM Docket No. 97-217 WT Docket No. 02-68, RM-9718 WT Docket No. 00-230, FCC 04-135

<sup>&</sup>lt;sup>1</sup> NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 560 rural rate-of-return

Report and Order and Further Notice of Proposed Rulemaking, released July 29, 2004 in the above-referenced proceeding. Specifically, NTCA supports those petitioners who request that the Commission reconsider its decision not to adopt a mechanism by which qualifying Multipoint Distribution Service (MDS) and Instructional Television Fixed Service (ITFS)<sup>2</sup> video operators may automatically "opt-out" of the Commission's mandated transition to a new band plan and regulatory regime.<sup>3</sup>

NTCA recognizes and supports changes to the MDS/ITFS band plan to permit new and innovative uses for this valuable spectrum. However, the rules promulgated by the Commission dealt a severe and unnecessary blow to rural multichannel video programming distributors by failing to adopt a provision under which operators may "opt-out" of a transition to the new band plan.

The Commission was presented with a well-reasoned industry coalition proposal to transition the BRS and EBS spectrum to accommodate both new and old users. <sup>4</sup> To alleviate concerns about current operators hampering the development of next generation systems, the coalition proposed specific criteria to limit the availability of "opt-out" protection to only those situations where the public interest would suffer substantial harm

regulated telecommunications providers. All of NTCA's members are full service incumbent local exchange carriers (ILECs) and many of its members provide wireless, cable, Internet, satellite and long

distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). NTCA's members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

<sup>2</sup> MDS is now known as the "Broadband Radio Service" (BRS). ITFS is now known as "Educational Broadband Service" (EBS). The names are used interchangeably in this comment.

<sup>&</sup>lt;sup>3</sup> See, Petitions of The BRS Rural Advocacy Group, the law firm of Blooston, Mordkofsky, Dickens, Duffy & Prendergast, on behalf of its clients, and Central Texas Communications, Inc.

<sup>&</sup>lt;sup>4</sup> See, "A Proposal for Revising the MDS and ITFS Regulatory Regime," filed October 7, 2002 by the Wireless Communications Association International, Inc., the National ITFS Association and the Catholic Television Network (Coalition Proposal).

if required to transition to the new band plan. Although commenters generally supported the coalition proposal, the Commission determined that it would instead consider waivers of the transition rules on a case-by-case basis. The Commission determined that "adopting the Coalition's proposal to allow MVPD licensees that meet the requirements to 'opt-out' of the transition needlessly complicates the transition process and is unnecessary to protect MVPD licensees, especially those that are currently using the entire BRS/EBS spectrum."

The Commission's reasoning is incorrect. The waiver process complicates the transition process; it does not simplify it. The waiver process is uncertain and expensive. Unlike rules that provide licensees with long-term certainty about their status as a licensee and the ability to plan for the future, waivers are granted or not granted at the discretion of the regulators. Although the Commission provides guidelines about who would qualify for a waiver, guidelines are not measurable standards. Those that require licensees to explain, "why it cannot work within the transition rules we have adopted" provide licensees no meaningful predictor of whether or not a plea for relief will be granted. The waiver process also offers no certainty in time. As Central Texas points out, waivers may be filed at any time, even months following notice that a market will be transitioned. Any licensee seeking a waiver will be forced to spend precious resources in time and money gathering the information and hiring an attorney to file for the waiver, with no guarantee of success.

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<sup>&</sup>lt;sup>5</sup> *Order*, ¶ 36.

<sup>&</sup>lt;sup>6</sup> Order, ¶ 77.

In contrast, the coalition proposal with an automatic "opt-out" respects the

interests of a small number of BRS/EBS spectrum-rights holders while not overly

impinging on the ability of proponents to transition nearby markets. Under the coalition

proposal the only entities eligible to "opt-out" of a transition are rural MVPD operators

"with a long-standing and demonstrated interest in compliance with the Commission's

rules."<sup>7</sup> The number of licenses affected and the potential for interference is minimal.

The Commission has failed to explain why an automatic "opt-out" provision is

unnecessary to protect MVPDs. Under current rules, licensees with existing licensees

with high-power video businesses are faced with a great deal of uncertainty as to whether

or not they will be permitted to continue operations. The current transition rules offers

relief to urban operators seeking to use the spectrum in new ways at the expense of long-

standing MVPDs and their rural customers who depend on the video service the licensees

provide, whereas the "opt-out" provision strikes a balance between the incompatible uses

for the benefit of the public.

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<sup>7</sup> Petition of Central Texas, pp. 9-10.

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For the foregoing reasons, NTCA urges the Commission to reconsider its decision not to adopt a mechanism by which qualified MVPDs would be permitted to "opt-out" of the BRS/EBS transition process.

Respectfully submitted,

NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

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## CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Comments in Support of Petitions for Reconsideration of the National Telecommunications Cooperative Association in WT Docket No. 03-66, RM-10586, WT Docket No. 03-67, MM Docket No. 97-217, WT Docket No. 02-68, RM-9718, WT Docket No. 00-230, FCC 04-135, was served on this 22nd day of February 2005 by first-class, U.S. Mail, postage prepaid, to the following persons.

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